

13:45 FROM S ODELL DEWEY LONDON + 9002023329656

DEWEY BALLANTINE

1 UNDERWRAFT
LONDON EC2A 4EP
TEL 0171 454.6000 FAX 0171 454.6001

CABLE ADDRESS
0171 454 6001

December 3, 1999

Hassan Mamdouh
Chairman
Banque du Caire

Re: Lakah Group - Issuance of U.S.\$100,000,000
12 per cent. Bonds due 2004

Dear Sir,

Dewey Ballantine is counsel to Warburg Dillon Read and the other managers in connection with the issuance and sale of the above captioned Bonds. As part of the transaction, we are looking to remove the pledges currently held by Banque du Caire on the shares of Medequip for Trading and Contracting S.A.E. and Trading Medical System Egypt, S.A.E. and the restriction on additional borrowings imposed on Arab Factory, S.A.E. We understand that discussions have taken place in this regard between your institution and Mr Ramy Lakah. This letter will outline the steps to be taken to effect the removal of the pledges and the restriction and to make payment to Banque du Caire.

Date	Action
December 6	Banque du Caire executes and delivers to Mr Lakah, with a copy to the undersigned, a copy of the letter attached as Annex A, duly completed and executed by a senior authorized officer of the Bank.
December 8	Bank of New York confirms to Banque du Caire that it is holding the amount of U.S.\$35,000,000 which will be remitted to Banque du Caire upon receipt of a letter from Mistr Clearing Settlement and Central Depository confirming removal of the pledges and only the abovementioned restriction on additional borrowings.
December 8	Banque du Caire remits to Bank of New York a duly executed copy of the letter attached as Annex B.

Sayed Zahran Al-
6.12.99

06 DEC '99 12:36

BANK OF NEW YORK SUBSIDIARY TRADING COMPANY

3903893

13:45 12 15:23 FROM

TO 4402121223363334 PAGE.2

13:45 S DOELL DEWEY LONDON A 3002612 3427466

Hassan Mamdouh
December 3, 1999
Page 2

- 2 -

Prior to December 15 As soon as Bank of New York receives the letter from Mistr Clearing or other evidence satisfactory to it of the removal of the pledges and the restriction, it will remit the amount of U.S.\$35,000,000 to Banque du Caire.

Please note that this letter does not constitute any direct commitment on the part of the Managers vis a vis Banque du Caire. The commitment of the Managers is set forth in a Subscription Agreement to be entered into on December 6.

If you agree with the terms of this letter, please execute a copy of this letter and of Annex A and return it to Mr Lakah, with a copy to the undersigned.

Yours faithfully,

Camille Aboulseiman

Camille Aboulseiman

Agreed and Accepted Noting that we keep all our other rights vis a vis arab steel factory .

Banque Du Caire Sarva Branch
Samir Zahran Sh
6.12.99.

cc: Warburg Dillon Read, Attn: Ms Susan McGowan
The Bank of New York, Attn: Mr Gamal Moharram
Lakah Group, Attn: Mr Ramy Lakah
LK-35633.1

AS DEC '99 12:35

3983893 PAGE.001
** TOTAL PAGE.003 **